

INTRODUCTION

Bay County Friend of the Court (FOC) had a contract with the Michigan Family Independence Agency (FIA) to establish FOC paternity and to obtain support orders for all cases where the Bay County FOC had jurisdiction. The Bay County FOC billed FIA monthly under the actual cost reimbursement billing method. FIA reimbursed Bay County FOC for their costs based on the Federal IV-D Program regulations.

SCOPE

We performed an audit of the costs submitted for reimbursement by the Bay County FOC for the period January 1, 1997 through December 31, 1997. Our audit was conducted in accordance with Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors. We performed the audit tests that we determined were necessary to determine if costs charged were proper, accurate, documented, and charged in accordance with the terms of the contract.

EXECUTIVE SUMMARY

We found that the Bay County FOC over billed FIA for personnel and other direct cost. The State share of the net amount over billed by FOC was \$2,129 (See Schedule A.)

Our report recommends the Family Services Administration initiate the process to recoup \$2,129 from the Bay County FOC.

FOC RESPONSE

The County Finance Officer agrees with the Finding.

FINDINGS

Other Direct cost -Auto Lease

1. Bay County FOC over billed FIA \$3,094 for auto lease cost. The amount billed exceeded the actual cost Bay County paid for the auto lease. OMB Circular A-87 requires that billings be based on actual costs incurred (See Schedule A.)

WE RECOMMEND the Family Independence Services Administration initiate the process to recoup \$2,129 from the Bay County FOC.

Finding #	Line Item	Year	(Over)/Under Billed Gross Amount	IV-D %	(Over)/Under Billed IV-D Amount	State %	(S Co
1	Other Direct	1997	(\$3,094.24)	95.65%	\$ (2,960)		
Grand Total of the IV-D Audit Adjustments					\$ (2,960)		
	Calculation of the Payment Due the (State) County						
Audited IV-D Amount					\$1,182,080.00		
IV-D Amount Used for the Payments Actually Made					\$1,208,616.00		
IV-D Audit Adjustment Due (State) County					(2,959.64)	71.92%	\$